P 090742Z JAN 08 FM AMEMBASSY CONAKRY TO SECSTATE WASHDC PRIORITY 2029 INFO ECOWAS COLLECTIVE

UNCLAS CONAKRY 000022

SIPDIS

E.O. 12958: N/A

TAGS: PGOV ECON ELAB GV

SUBJECT: HOW CAN THE PRESIDENT CONTINUE TO WORK UNDER THESE

CONDITIONS? - THE OLD GUARD SUPPORTS CONTE

- 11. Summary. On January 8, Ambassador Carter met with the President of the National Assembly and several senior officials to discuss the political standoff between President Lansana Conte and Prime Minister Lansana Kouyate and the threat of a general strike January 110. The Assembly leaders displayed unwavering support for Conte and were highly critical of the Kouyate government. They claimed that Kouyate is not governing by consensus and that the economic situation is even worse under Kouyate than it was before. They said that the unions called the strike without consulting business leaders or civil society, and they don't expect the strike will be widely followed. End summary.
- 12. Ambassador Carter met with the President of the Guinean National Assembly, Aboubacar Sompare, and several senior officials, including the 4th Vice-president, Almamy Fode Sylla, and the head of the Finance Commission, Yassine Barry. The Ambassador thanked Sompare for the audience and said that he is in the process of meeting with everyone involved in the current political situation, including the government, unions and civil society. The Ambassador described this as a political process and an internal question that requires a Guinean solution.
- 13. Sompare described the origins of the current situation as the botching of the release of President Conte's New Year's message. According to Sompare, the text described the weakness of the government and the need for some restructuring. Conte reportedly told the Minister of Communication, Justin Morel Junior, not to broadcast the message. Sompare alleges the director of RTG put the message on the internet, and the director was sanctioned. Sompare noted that in the speech the President stated he was retaking some of his constitutional powers, leading the Prime Minister to believe that his own powers were being taken away. When Morel Junior was fired, the unions called a strike, but Sompare claims they did not consult with the business leaders (Patronat) or others in civil society.
- 14. The Ambassador noted that according to the Accords of January 27, 2007, this is a consensus government, and the Accord defines the structure of the government. Even though the position of Prime Minister is not in the constitution, the President accepted the Accords and thus the authority of the Prime Minister. Sompare responded that it is also the unions who have a responsibility to consult with the Patronat and civil society, which they failed to do.
- 15. Sompare also complained that under the government of Prime Minister Lansana Kouyate, the Ministries are overly concentrated with too heavy a workload. He noted that the Minister of Education is now in charge of primary, secondary and university level education. He said that these functions need to be dispersed. The Ambassador noted that this is similar to the situation in the United States, and wondered if it wasn't more efficient. Sompare said that the job was too difficult under this structure and less efficient.
- 16. Barry, the head of the Finance Commission, noted that the January 27 Accord has been in place for one year and the President has applied the Accord. He claimed that there is a lack of economic management under Kouyate which gives the impression that things are worse off now than they were before. He noted that while official perdiem rates for GoG travelers is between \$140-\$240, Kouyate's ministers have claimed perdiem for as high as \$800. He stated that there has been a lack of transparency and "consultation" with the National Assembly on the manner and allocation of public contracts.

He cited the example of a sole source bid issued by the government to a Lebanese firm to provide energy services as a very high cost. He claimed that the contract's issuance was completely opaque. Sylla, the 4th Vice-president, observed that the government spends money to pave the roads in front of an upscale hotel but not to pave the roads in the surrounding neighborhood. Barry also noted the transfer of the proceeds from mining royalties (mining fund) from Credit Suisse to BNP Paribas, and observed that there was no consultation before that decision was made. The GoG has used the Swiss bank for over 30 years and now everything was transferred to a French bank. When the Ambassador asked what it mattered if the GoG changed accounts as long as it was done transparently, Sompare exclaimed that the GoG has put the countries resources in the hands of their former colonial rulers and that now France has some leverage over Guinea. He added that the transfer threatened Guinea's sovereignty. He asked the rhetorical question, "How can the President continue to work under these conditions?"

17. Ambassador Carter noted that the macro-economic conditions are better now than they have been in the past and there is more control of he economy. He cited the better control over moneary aggregates at the Central Bank, stronger budetary control at the Finance Ministry and the aproval of an IMF program. Barry responded that te GoG financing gap is the largest in the country's history and that it reflected poor financial leaership by Kouyate's government. The Ambassador oted that he disagreed this assessment completel. Sompare interjected that the economic improvemen is visible, but that there is less financial indpendence, returning to the BNP Paribas issue. H reiterated his view that the actions of the Kouate government undermine Guinea's sovereignty. Bary worried that the Guinean government was gettig too close to Libya,

and.

- 18. When the Ambassador asked what they thought would happen with the strike, the consensus in the room was that people will not follow the strike. Barry said this was a political strike, not an economic one, and that there is nothing in the strike that will help the workers. He said people want to work and they are fed up with strikes. Sompare concurred that there is no interest in a strike and Guineans always succeed when they are more detached from these situations.
- 19. Comment: The mood in the room among these Conte supporters was one of yearning for the "good old days" when Conte ruled with little or no opposition. Their devotion to the President and dismissive attitude towards Kouyate seems to blind them to the fact that many of the economic woes that they attribute to Kouyate were created when they were in government and responsible for the country's economic condition. It is clear that this group represents the interest of the old guard and that their sights are on getting Kouyate out and themselves back in. On a more positive note, the meeting afforded Ambassador Carter an excellent opportunity to lay out the position of the United States as a neutral observer and to encourage dialogue and a peaceful resolution to the political impasse. This message was also delivered to a national television audience in a brief interview following the meeting. End comment. CARTER